

CITY OF BAXTER SPRINGS, KANSAS

Annual Financial Report

For the year December 31, 2014

MENSE, CHURCHWELL & MENSE, P.C.
Certified Public Accountants

CITY OF BAXTER SPRINGS, KANSAS

TABLE OF CONTENTS

Page Number

INTRODUCTORY SECTION

- Title Page
- Table of Contents i -ii

FINANCIAL SECTION

- Independent Auditor's Report 1-2
- Summary Statement of Receipts, Expenditures, and
Unencumbered Cash – Regulatory Basis 3
- Notes to the Financial Statement 4-15

REGULATORY – REQUIRED SUPPLEMENTARY INFORMATION

- Summary of Expenditures – Actual and Budget – Regulatory Basis
(Schedule I) 16
- Schedules of Receipts and Expenditures – Actual and
Budget - Regulatory Basis(Schedule 2)
 - General Fund 17
 - Transient Guest Fund 18
 - Park Development Fund 19
 - Special Highway Fund 20
 - Library Fund 21
 - Library Employee Benefits Fund 22
 - Recreation Fund 23
 - Museum Fund 24
 - Industrial Development Fund 25
 - Special Liability Fund 26
 - Municipal Equipment Fund 27
 - Capital Improvement Fund 28
 - Drug Forfeiture Fund 29
 - Law Enforcement Grant Fund 30

CITY OF BAXTER SPRINGS, KANSAS

TABLE OF CONTENTS **(CONTINUED)**

Employee Benefits Fund	31
Refuse Fund	32
Special Parks and Recreation Fund	33
Disaster Fund	34
Fire Ordinance 711 Fund	35
Memorial Fund	36
Debt Service Fund	37
Water Fund	38
Sewer Fund	39
Cable Television Fund	40
Cemetery Perpetual Care Fund	41



MENSE, CHURCHWELL & MENSE, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
427 Wall Street, P.O. Box 818
Joplin, Missouri 64802-0818
Telephone 417-623-2505
Fax 417-623-2507

EUGENE M. MENSE, JR., C.P.A. (1929 - 2006)
CHRIS D. CHURCHWELL, C.P.A.
EUGENE M. MENSE III, C.P.A.

To the Mayor and City Council
City of Baxter Springs, Kansas

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Baxter Springs, Kansas, as of and for the year ended December 31, 2014 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Baxter Springs, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

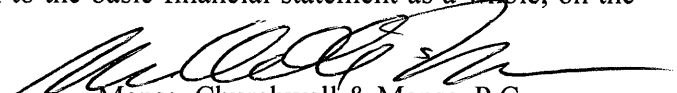
In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Baxter Springs, Kansas as of December 31, 2014, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Baxter Springs, Kansas as of December 31, 2014, and the aggregate receipts and expenditures for the year ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.


Mense, Churchwell & Mense, P.C.
Certified Public Accountants

Joplin, Missouri
July 9, 2015

CITY OF BAXTER SPRINGS, KANSAS
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2014

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	\$ 441,496	\$ -	\$ 1,526,308	\$ 1,614,228	\$ 353,576	\$ 45,928	\$ 399,504
Special Purpose Funds:							
Transient Guest	8,902	-	9,127	13,051	4,978	-	4,978
Park Development	232	-	-	-	232	-	232
Special Highway	124,756	-	125,905	71,112	179,549	5,173	184,722
Library	12,060	-	115,223	115,089	12,194	-	12,194
Library Employee Benefits	1,579	-	17,337	17,333	1,583	-	1,583
Recreation	16,161	-	17,296	15,531	17,926	-	17,926
Museum	5,549	-	74,005	74,005	5,549	-	5,549
Industrial Development	6,710	-	1,007	6,242	1,475	-	1,475
Special Liability	104,344	-	122	2,826	101,640	-	101,640
Municipal Equipment	4,250	-	-	-	4,250	-	4,250
Capital Improvement	51,818	-	8,407	10,026	50,199	-	50,199
Drug Forfeiture	419	-	-	-	419	-	419
Law Enforcement Grant	1,334	-	-	-	1,334	-	1,334
Employee Benefits	69,934	-	464,708	466,412	68,230	-	68,230
Refuse	65,670	-	225,805	255,650	35,825	17,339	53,164
Special Parks and Recreation	-	-	18	-	18	-	18
Disaster	-	-	203,452	203,452	-	-	-
Fire Ordinance 711	2,500	-	5,445	7,945	-	-	-
Memorial Fund	57,897	-	6,110	63,415	592	-	592
Bond and Internet Funds:							
Debt Service	27,999	-	276,988	276,961	28,026	-	28,026
Business Funds:							
Water	141,694	-	855,724	920,625	76,793	16,947	93,740
Sewer	1,099,520	-	443,684	289,841	1,253,363	7,892	1,261,255
Cable Television	20,096	-	790,334	1,163,755	(353,325)	59,733	(293,592)
Trust Funds:							
Cemetery Perpetual Care	64,059	-	101	-	64,160	-	64,160
Total Reporting Entity	\$ 2,328,979	\$ -	\$ 5,167,106	\$ 5,587,499	\$ 1,908,586	\$ 153,012	\$ 2,061,598
Composition of Cash:							
					Checking Account - American Bank		\$ 2,059,469
					Checking Account - Baxter State Bank		675
					Cash on Hand		1,454
					Total Reporting Entity		<u>\$ 2,061,598</u>

The notes to the financial statement are an integral part of this statement.

CITY OF BAXTER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I.A. INTRODUCTION

The City of Baxter Springs, Kansas, was incorporated in 1858 and operates as a second class city under the Statutes of the State of Kansas, (KSA 14-101 et. seq.). The City operates under a Mayor-Council form of government. Major services provided by the City include: Public Safety - Police and Fire, Highways and Streets, Sanitation, Health and Social Services, Culture - Recreation, Public Improvements, Planning and Zoning, and General Administrative Services. In addition, the City provides Water, Sewer and Cable Television Utility Services.

I.B. MUNICIPAL FINANCIAL REPORTING ENTITY

This financial statement presents the City of Baxter Springs, Kansas, (the municipality) as defined in K.S.A. 75-1117. The municipal financial reporting entity includes the municipality and any included related municipal entities. A related municipal entity is any legally separate municipal organization which was established to benefit the municipality or its' constituents.

A description of each related municipal entity and its relationship to the municipality is disclosed below for informational purposes. These entities are not included in the City's financial statement.

The following paragraphs briefly describe each related municipal entity addressed in defining the municipal financial reporting entity. Further information regarding these entities, their financial statements, and/or operations may be obtained by contacting the entities directly.

1. Library Board. The City of Baxter Springs Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City.
2. Recreation Commission. The City of Baxter Springs Recreation Commission oversees recreation activities. The Recreation Commission operates as a separate governing body but the City levies taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928.
3. Museum Board. The City of Baxter Springs Museum Board oversees the museum. The City levies taxes for the Museum Board.

CITY OF BAXTER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.C. Regulatory Basis Fund Types

The accounts of the City are organized into funds each of which is considered to be a separate accounting entity. The operations of each fund is summarized by providing a separated set of self-balancing accounts. The following funds are used by the City:

General Fund—the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund—used to account for the proceeds of specific tax levies and other specific receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund—used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Fund—used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund—funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

Trust Fund—funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.)

Agency Fund—funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.)

CITY OF BAXTER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.D. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

I.E. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget.

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

CITY OF BAXTER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.E. BUDGETARY INFORMATION (CONTINUED)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose fund:

- Special Liability Fund
- Municipal Equipment Fund
- Capital Improvement Fund
- Law Enforcement Grant Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

I.F. ASSETS AND LIABILITIES

I.F.1. Cash and Investments

The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pool cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in time deposits.

Additional cash and investment information is presented in Note III.A.

CITY OF BAXTER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.F. ASSETS AND LIABILITIES (CONTINUED)

I.F.2. Compensated Absences

The City's policies regarding vacation and sick pay permit employees to accumulate a maximum of four weeks of vacation time and a maximum of 120 hours of sick pay. Vacation time is paid to employees upon termination. Sick leave is forfeited upon termination. At December 31, 2014, management estimates that the value of accumulated vacation to not be material.

I.G. RECEIPTS AND EXPENDITURES

I.G.1. Sales Tax

The City of Baxter Springs, Kansas levies a sales tax on taxable sales within the City. The tax is collected by the Kansas Department of Revenue and remitted to the City. The tax is placed in the General Fund to provide city services.

I.G.2. Property Tax

Property taxes are an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable one-half on December 20th and one-half on May 10th of the ensuing year. Unpaid taxes become delinquent after the due dates.

The assessed valuation of tangible property for the calendar year 2014 for the purposes of taxation was \$20,061,820.

The tax levy per \$100.00 of assessed valuation of tangible property for the calendar year was \$4.77. The levy is composed of the sum of the legal tax levies for all funds with authorized levies.

Collection of current year property tax by the County Treasurer is not completed, apportioned, nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. These taxes are used to finance budgeted expenditures for the succeeding year in accordance with Kansas Statutes.

CITY OF BAXTER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.G. RECEIPTS AND EXPENDITURES (CONTINUED)

I.G.3. Reimbursements

A reimbursement is an expenditure initially made in one fund, but properly attributable to another fund. For example, it is common for the general fund to pay a vendor's bill and have portions of it reimbursed by other funds. In accounting for such reimbursements, the City records an expenditure in the reimbursing fund, and a receipt in the reimbursed fund. For purposes of budgetary comparisons, the amount is shown as a qualifying budget credit in the reimbursed fund.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

II.A. COMPLIANCE WITH FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

The Clerk does not maintain a record of each fund's indebtedness or the budget balance available for appropriation.. (KSA 10-1117 and KSA 79-2934)

The Industrial Development, Memorial, Debt Service and Cable Television Fund expenditures exceeded the budget (K.S.A. 79-2935).

The Cable Television Fund had a deficit cash balance/unencumbered cash balance at the end of the year. (KSA 10-1113 and KSA 10-1121).

III. DETAILED NOTES ON FUNDS AND ACCOUNTS

III.A. Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

CITY OF BAXTER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2014

III. DETAILED NOTES ON FUNDS AND ACCOUNTS (CONTINUED)

III.A. Deposits and Investments (Continued)

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City does not designate "peak periods". All deposits were legally secured at December 31, 2014.

At December 31, 2014, the City's carrying amount of deposits was \$2,060,144 and the bank balance was \$2,070,627. Ninety-nine percent of the bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,675 was covered by federal depository insurance and \$1,819,952 was secured by securities held by the pledging financial institutions' agents but not in the City's name.

III.A.1. Restricted Assets

The following amounts in the following funds are restricted as follows:

General Fund -	
Municipal Court Bonds	\$ 6,995
Vehicle Inspection Fees	
(Law Enforcement)	<u>4,120</u>
	<u>\$ 11,115</u>

CITY OF BAXTER SPRINGS, KANSAS
Notes to the Financial Statement
December 31, 2014

IV. LONG-TERM DEBT

Changes in long-term liabilities for the City of Baxter Springs, Kansas for year ended December 31, 2014 were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds:									
Series 1999	4.0-5.15%	4/15/1999	\$ 285,000	10/1/2014	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 1,288
Series 2012	.40-1.75%	11/15/2012	\$ 1,805,000	8/1/2022	1,695,000	-	95,000	1,600,000	9,508
Series 2013	.50-3.25%	9/15/2013	\$ 1,390,000	12/1/2024	1,375,000	-	120,000	1,255,000	26,165
Total General Obligation Bonds					\$3,095,000	\$ -	\$ 240,000	\$2,855,000	\$ 36,961
KDHE Loans:									
Sewer Project	3.57%	4/11/2000	\$ 622,243	3/1/2021	\$ 269,922	\$ -	\$ 31,987	\$ 237,935	\$ 9,353
Total KDHE Loans					\$ 269,922	\$ -	\$ 31,987	\$ 237,935	\$ 9,353
Capital Leases Payable:									
Fire Truck	4.85%	5/12/2006	\$ 294,830	5/12/2016	\$ 103,513	\$ -	\$ 32,884	\$ 70,629	\$ 8,457
Police Software	5.33%	4/15/2010	\$ 32,647	1/15/2014	2,249	-	2,249	-	30
Street Truck	2.50%	1/29/2013	\$ 40,096	1/31/2016	28,156	-	13,349	14,807	550
Police & Code Enforcement Truck	2.50%	2/27/2013	\$ 51,598	2/27/2016	37,646	-	17,124	20,522	746
Fire Truck	2.50%	1/3/2013	\$ 34,349	1/31/2016	24,167	-	11,449	12,718	473
Total Capital Lease					\$ 195,731	\$ -	\$ 77,055	\$ 118,676	\$ 10,256
Total Contracted Indebtedness					\$3,560,653	\$ -	\$ 349,042	\$3,211,611	\$ 56,570

CITY OF BAXTER SPRINGS, KANSAS
Notes to the Financial Statement
December 31, 2014

IV. LONG-TERM DEBT (CONTINUED)

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	Year						
	2015	2016	2017	2018	2019	2020-2024	Total
Principal:							
General Obligation Bonds	\$ 310,000	\$ 315,000	\$ 320,000	\$325,000	\$ 330,000	\$ 1,255,000	\$2,855,000
KDHE Loans	33,140	34,333	35,570	36,851	38,179	59,862	237,935
Capital Leases Payable	77,461	41,215	-	-	-	-	118,676
Total principal	\$420,601	\$390,548	355,570	\$361,851	\$ 368,179	\$ 1,314,862	\$3,211,611
Interest:							
General Obligation Bonds	\$ 43,722	\$ 41,564	\$ 38,853	\$ 35,342	\$ 30,925	\$ 66,711	\$ 257,117
KDHE Loans	8,201	7,007	5,771	4,490	3,162	2,148	30,779
Capital Leases Payable	4,134	1,766	-	-	-	-	5,900
Total interest	\$ 56,057	\$ 50,337	\$ 44,624	\$ 39,832	\$ 34,087	\$ 68,859	\$ 293,796
Total principal and interest	\$476,658	\$440,885	\$ 400,194	\$401,683	\$ 402,266	\$ 1,383,721	\$3,505,407

CITY OF BAXTER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2014

V. CONDUIT DEBT

To provide for capital improvements, the City of Baxter Springs, Kansas issued Industrial Revenue Bonds, (Atec Steel, L.L.C.) Series 2007, in the amount of \$3,000,000.00. The bonds are special limited obligations of the City, and payable solely from revenues derived from certain fees, rentals, revenues and other amounts derived by the City from a lease between the City and Atec Steel, L.L.C. The bonds do not constitute an indebtedness of the City or a pledge of the general credit or taxing powers of the City; and accordingly, have not been reported in the accompanying financial statements.

The amount of bonds outstanding for this issue at December 31, 2014 was \$1,607,077.

VI. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City manages these various risks by carrying commercial insurance. There have been no significant reductions in insurance coverage. Settlements have not exceeded insurance coverage for the current or three prior years.

VII. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Capital Improvement Fund	KSA 12-1,118	\$ 8,407
Transient Guest Tax Fund	Memorial Fund		2,500
Water Fund	Debt Service Fund	KSA 12-825d	104,508
Cable Television Fund	Debt Service Fund	KSA 12-825d	146,165

VIII. PENSION PLAN

Plan description

The City of Baxter Springs, Kansas participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

CITY OF BATER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2014

VIII. PENSION PLAN (CONTINUED)

Funding Policy

K.S.A. 74-4919 and 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The employer rate established by statutes for calendar year 2014 is 9.69%. For municipalities that hire a KPERS retiree from a different KPERS employer, the employer rate is 13.77% for the period of January 1, 2014 to December 31, 2014 and the waiting period is 60 days. Included in this rate is the contribution for Group Death and Disability Insurance of .85%. The City of Baxter Springs, Kansas employer contributions to KPERS for the years ending December 31, 2011, 2012 and 2013 were \$87,588, \$96,934, and \$118,348, respectively, equal to the required contributions for each year as set forth by the legislature.

Net Pension Liability

The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2013, which was rolled forward to June 30, 2014. As of June 30, 2014 the net pension liability for KPERS was \$8,291,794,910. KPERS has not determined the City's proportionate share of the net pension liability as of December 31, 2014. The complete actuarial valuation report including all actuarial assumptions and methods is publically available on the website at www.kpers.org or can be obtained as described in the first paragraph above.

IX. OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-540, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

CITY OF BATER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2014

X. LITIGATION

The City is party to various proceedings which normally occur in governmental operations. While the outcome of such proceedings cannot be predicted, due to insurance maintained by the City, the City feels that any settlement or judgment not covered by insurance could not have a material adverse effect on the financial condition of the City.

XI. GRANT PROGRAM INVOLVEMENT

In the normal course of operations, the City participates in various federal and state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

XII. SUBSEQUENT EVENTS

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

**REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF BAXTER SPRINGS, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2014

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Funds:					
General	\$ 1,669,277	\$ 36,264	\$ 1,705,541	\$ 1,614,228	\$ (91,313)
Special Purpose Funds:					
Transient Guest	16,125	-	16,125	13,051	(3,074)
Park Development	-	-	-	-	-
Special Highway	149,452	-	149,452	71,112	(78,340)
Library	115,089	-	115,089	115,089	-
Library Employee Benefits	17,333	-	17,333	17,333	-
Recreation	15,531	-	15,531	15,531	-
Museum	74,262	-	74,262	74,005	(257)
Industrial Development	2,293	1,000	3,293	6,242	2,949
Drug Forfeiture	1,019	-	1,019	-	(1,019)
Employee Benefits	470,263	-	470,263	466,412	(3,851)
Refuse	272,000	-	272,000	255,650	(16,350)
Fire Ordinance 711	10,000	-	10,000	7,945	(2,055)
Memorial	-	3,610	3,610	63,415	59,805
Bond and Internet Funds:					
Debt Service	260,493	-	260,493	276,961	16,468
Business Funds:					
Water	1,142,350	-	1,142,350	920,625	(221,725)
Sewer	391,566	-	391,566	289,841	(101,725)
Cable Television	994,749	-	994,749	1,163,755	169,006

CITY OF BAXTER SPRINGS, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2014

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 153,158	\$ 157,336	\$ (4,178)
Delinquent Tax	13,766	12,000	1,766
Motor Vehicle Tax	36,129	26,137	9,992
Recreational Vehicle Tax	226	108	118
16/20 M Vehicle Tax	178	96	82
Sales Tax	765,811	769,183	(3,372)
Local Alcohol Liquor Tax	18	-	18
Fines	156,272	140,000	16,272
Community Building Fees	3,370	3,600	(230)
Vehicle Inspection Fees	8,260	8,000	260
Sale of Cemetery Lots	574	1,600	(1,026)
Grave Opening	9,300	9,000	300
Franchise Fees	237,086	225,000	12,086
Permits	1,385	1,000	385
Liquor Licenses	690	600	90
Cereal Malt Beverage Licenses	750	775	(25)
Swimming Pool Receipts	15,335	-	15,335
Animal Tags	333	300	33
Park and Camping Fees	2,815	2,000	815
Mowing and Weed Notices	561	2,000	(1,439)
Donations	33,764	-	33,764
Other	62,690	20,000	42,690
Grants	2,500	-	2,500
Ambulance Fuel Reimbursement	17,934	17,000	934
Interest	361	1,805	(1,444)
Charges for Mowing and Demolition	3,042	15,000	(11,958)
Total Receipts	<u>\$ 1,526,308</u>	<u>\$ 1,412,540</u>	<u>\$ 113,768</u>
Expenditures:			
City Clerk	\$ 73,106	\$ 56,700	\$ 16,406
Police	730,827	746,910	(16,083)
Fire	158,086	172,829	(14,743)
Street	385,973	427,901	(41,928)
Community Services	42,724	18,450	24,274
Cemetery	56,999	69,025	(12,026)
Code Enforcement	26,774	53,550	(26,776)
Community Center	18,862	20,375	(1,513)
Swimming Pool	25,159	12,825	12,334
Capital Lease - Street Truck	13,899	13,899	-
Capital Lease - Fire Truck	41,341	37,904	3,437
Capital Lease - Fire Truck	11,922	11,922	-
Capital Lease - Police Truck	8,935	17,870	(8,935)
Capital Lease - Police Software	2,279	9,117	(6,838)
Capital Lease - Code Enforcement Truck	8,935	-	8,935
Operating Transfers	8,407	-	8,407
Adjustment for Qualifying Budget Credits	-	36,264	(36,264)
Total Expenditures	<u>\$ 1,614,228</u>	<u>\$ 1,705,541</u>	<u>\$ (91,313)</u>
Receipts Over (Under) Expenditures	\$ (87,920)		
Unencumbered Cash-Beginning	<u>441,496</u>		
Unencumbered Cash-Ending	<u>\$ 353,576</u>		

CITY OF BAXTER SPRINGS, KANSAS
Transient Guest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Guest Tax	<u>\$ 9,127</u>	<u>\$ 12,000</u>	<u>\$ (2,873)</u>
Total Receipts	<u>\$ 9,127</u>	<u>\$ 12,000</u>	<u>\$ (2,873)</u>
Expenditures:			
Convention and Tourism	<u>\$ 10,551</u>	<u>\$ 16,125</u>	<u>\$ (5,574)</u>
Transfers Out	<u> 2,500</u>	<u> -</u>	<u> 2,500</u>
Total Expenditures	<u>\$ 13,051</u>	<u>\$ 16,125</u>	<u>\$ (3,074)</u>
Receipts Over (Under) Expenditures	<u>\$ (3,924)</u>		
Unencumbered Cash-Beginning	<u> 8,902</u>		
Unencumbered Cash-Ending	<u><u>\$ 4,978</u></u>		

CITY OF BAXTER SPRINGS, KANSAS
Park Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2014

	Actual	Budget	Variance - Over (Under)
Receipts:			
Interest	\$ -	\$ -	\$ -
Total Receipts	\$ -	\$ -	\$ -
Expenditures:			
Recreation	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash-Beginning	232		
Unencumbered Cash-Ending	\$ 232		

CITY OF BAXTER SPRINGS, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
State of Kansas Gas Tax	\$ 107,229	\$ 109,280	\$ (2,051)
Interest	-	50	(50)
Grants	<u>18,676</u>	<u>-</u>	<u>18,676</u>
Total Receipts	<u>\$ 125,905</u>	<u>\$ 109,330</u>	<u>\$ 16,575</u>
Expenditures:			
Public Works	<u>\$ 71,112</u>	<u>\$ 149,452</u>	<u>\$ (78,340)</u>
Total Expenditures	<u>\$ 71,112</u>	<u>\$ 149,452</u>	<u>\$ (78,340)</u>
Receipts Over (Under) Expenditures	\$ 54,793		
Unencumbered Cash-Beginning	<u>124,756</u>		
Unencumbered Cash-Ending	<u>\$ 179,549</u>		

CITY OF BAXTER SPRINGS, KANSAS
Library Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2014

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 94,465	\$ 96,826	\$ (2,361)
Delinquent Tax	5,656	2,000	3,656
Motor Vehicle Tax	14,954	12,406	2,548
Recreational Vehicle Tax	95	51	44
16/20 M Vehicle Tax	53	45	8
Total Receipts	<u>\$ 115,223</u>	<u>\$ 111,328</u>	<u>\$ 3,895</u>
Expenditures:			
Appropriation to Library Board	<u>\$ 115,089</u>	<u>\$ 115,089</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 115,089</u>	<u>\$ 115,089</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ 134		
Unencumbered Cash-Beginning	<u>12,060</u>		
Unencumbered Cash-Ending	<u>\$ 12,194</u>		

CITY OF BAXTER SPRINGS, KANSAS
Library Employee Benefits Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 14,272	\$ 14,635	\$ (363)
Delinquent Tax	856	500	356
Motor Vehicle Tax	2,187	1,827	360
Recreational Vehicle Tax	14	8	6
16/20 M Vehicle Tax	8	7	1
	<u>17,337</u>	<u>16,977</u>	<u>360</u>
Total Receipts	\$ 17,337	\$ 16,977	\$ 360
Expenditures:			
Appropriation to Library Board	\$ 17,333	\$ 17,333	\$ -
	<u>17,333</u>	<u>17,333</u>	<u>-</u>
Total Expenditures	\$ 17,333	\$ 17,333	\$ -
Receipts Over (Under) Expenditures	\$ 4		
Unencumbered Cash-Beginning	<u>1,579</u>		
Unencumbered Cash-Ending	<u>\$ 1,583</u>		

CITY OF BAXTER SPRINGS, KANSAS
Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2014

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 12,493	\$ 12,874	\$ (381)
Delinquent Tax	1,143	500	643
Motor Vehicle Tax	3,630	1,602	2,028
Recreational Vehicle Tax	23	7	16
16/20 M Vehicle Tax	7	6	1
Total Receipts	<u>\$ 17,296</u>	<u>\$ 14,989</u>	<u>\$ 2,307</u>
Expenditures:			
Appropriation to Recreation Commission	<u>\$ 15,531</u>	<u>\$ 15,531</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 15,531</u>	<u>\$ 15,531</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ 1,765		
Unencumbered Cash-Beginning	<u>16,161</u>		
Unencumbered Cash-Ending	<u>\$ 17,926</u>		

CITY OF BAXTER SPRINGS, KANSAS**Museum Fund****Schedule of Receipts and Expenditures - Actual and Budget****Regulatory Basis****For the Year ended December 31, 2014**

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 61,941	\$ 63,461	\$ (1,520)
Delinquent Tax	3,301	1,500	1,801
Motor Vehicle Tax	8,681	7,492	1,189
Recreational Vehicle Tax	55	31	24
16/20 M Vehicle Tax	27	27	-
Total Receipts	<u>\$ 74,005</u>	<u>\$ 72,511</u>	<u>\$ 1,494</u>
Expenditures:			
Appropriation to Museum Board	<u>\$ 74,005</u>	<u>\$ 74,262</u>	<u>\$ 257</u>
Total Expenditures	<u>\$ 74,005</u>	<u>\$ 74,262</u>	<u>\$ 257</u>
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash-Beginning	<u>5,549</u>		
Unencumbered Cash-Ending	<u>\$ 5,549</u>		

CITY OF BAXTER SPRINGS, KANSAS
Industrial Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem	\$ -	\$ -	\$ -
Delinquent Tax	7	20	(13)
Motor Vehicle Tax	-	-	-
Recreational Vehicle Tax	-	-	-
16/20M Vehicle Tax	-	-	-
Donations	1,000	-	1,000
	<u>1,007</u>	<u>-</u>	<u>1,000</u>
Total Receipts	\$ 1,007	\$ 20	\$ 987
Expenditures:			
Economic Development	\$ 6,242	\$ 2,293	\$ 3,949
Adjustment for Qualifying Budget Credits	<u>-</u>	<u>1,000</u>	<u>(1,000)</u>
Total Expenditures	\$ 6,242	\$ 3,293	\$ 2,949
Receipts Over (Under) Expenditures	\$ (5,235)		
Unencumbered Cash-Beginning	<u>6,710</u>		
Unencumbered Cash-Ending	<u>\$ 1,475</u>		

CITY OF BAXTER SPRINGS, KANSAS
Special Liability Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year ended December 31, 2014

	<u>Actual</u>
Receipts:	
Taxes and Shared Receipts:	
Ad Valorem Tax	\$ -
Delinquent Tax	122
Motor Vehicle Tax	-
Recreational Vehicle Tax	-
16/20 M Vehicle Tax	-
	<u>-</u>
Total Receipts	<u>\$ 122</u>
Expenditures:	
Insurance	<u>\$ 2,826</u>
Total Expenditures	<u>\$ 2,826</u>
Receipts Over (Under) Expenditures	\$ (2,704)
Unencumbered Cash-Beginning	<u>104,344</u>
Unencumbered Cash-Ending	<u><u>\$ 101,640</u></u>

CITY OF BAXTER SPRINGS, KANSAS
Municipal Equipment Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year ended December 31, 2014

	<u>Actual</u>
Receipts:	
Transfers In	<u>\$ -</u>
Total Receipts	<u>\$ -</u>
Expenditures:	
Capital Outlay	<u>\$ -</u>
Total Expenditures	<u>\$ -</u>
Cash Receipts Over (Under) Expenditures	\$ -
Unencumbered Cash-Beginning	<u>4,250</u>
Unencumbered Cash-Ending	<u><u>\$ 4,250</u></u>

CITY OF BAXTER SPRINGS, KANSAS
Capital Improvement Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year ended December 31, 2014

	<u>Actual</u>
Receipts:	
Operating Transfers	<u>\$ 8,407</u>
Total Receipts	<u>\$ 8,407</u>
Expenditures:	
Capital Outlay	<u>\$ 10,026</u>
Total Expenditures	<u>\$ 10,026</u>
Cash Receipts Over (Under) Expenditures	\$ (1,619)
Unencumbered Cash-Beginning	<u>51,818</u>
Unencumbered Cash-Ending	<u><u>\$ 50,199</u></u>

CITY OF BAXTER SPRINGS, KANSAS
Drug Forfeiture Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Intergovernmental Receipts	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ (500)</u>
Total Receipts	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ (500)</u>
Expenditures:			
Public Safety	<u>\$ -</u>	<u>\$ 1,019</u>	<u>\$ (1,019)</u>
Total Expenditures	<u>\$ -</u>	<u>\$ 1,019</u>	<u>\$ (1,019)</u>
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash-Beginning	<u>419</u>		
Unencumbered Cash-Ending	<u>\$ 419</u>		

CITY OF BAXTER SPRINGS, KANSAS
Law Enforcement Grant Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year ended December 31, 2014

	<u>Actual</u>
Receipts:	
Local Law Enforcement Block Grant	<u>\$ -</u>
Total Receipts	<u>\$ -</u>
Expenditures:	
Public Safety	<u>\$ -</u>
Total Expenditures	<u>\$ -</u>
Receipts Over (Under) Expenditures	<u>\$ -</u>
Unencumbered Cash-Beginning	<u>1,334</u>
Unencumbered Cash-Ending	<u><u>\$ 1,334</u></u>

CITY OF BAXTER SPRINGS, KANSAS
Employee Benefits Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 388,854	\$ 398,440	\$ (9,586)
Delinquent Tax	21,156	12,000	9,156
Motor Vehicle Tax	54,213	49,144	5,069
Recreational Vehicle Tax	346	202	144
16/20 M Vehicle Tax	139	179	(40)
	<u> </u>	<u> </u>	<u> </u>
Total Receipts	<u>\$ 464,708</u>	<u>\$ 459,965</u>	<u>\$ 4,743</u>
Expenditures:			
General Government	<u>\$ 466,412</u>	<u>\$ 470,263</u>	<u>\$ (3,851)</u>
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	<u>\$ 466,412</u>	<u>\$ 470,263</u>	<u>\$ (3,851)</u>
Receipts Over (Under) Expenditures	\$ (1,704)		
Unencumbered Cash-Beginning	<u>69,934</u>		
Unencumbered Cash-Ending	<u>\$ 68,230</u>		

CITY OF BAXTER SPRINGS, KANSAS
Refuse Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2014

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges For Services	\$ 225,805	\$ 275,000	\$ (49,195)
Total Receipts	<u>\$ 225,805</u>	<u>\$ 275,000</u>	<u>\$ (49,195)</u>
Expenditures:			
Personal Services	\$ -	\$ 22,000	\$ (22,000)
Sanitation	253,717	250,000	3,717
Capital Outlay	<u>1,933</u>	<u>-</u>	<u>1,933</u>
Total Expenditures	<u>\$ 255,650</u>	<u>\$ 272,000</u>	<u>\$ (16,350)</u>
Receipts Over (Under) Expenditures	\$ (29,845)		
Unencumbered Cash-Beginning	<u>65,670</u>		
Unencumbered Cash-Ending	<u>\$ 35,825</u>		

CITY OF BAXTER SPRINGS, KANSAS
Special Parks and Recreation Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year ended December 31, 2014

	<u>Actual</u>
Receipts:	
Local Alcohol Liquor Tax	<u>\$ 18</u>
Total Receipts	<u>\$ 18</u>
Expenditures:	
Recreation	<u>\$ -</u>
Total Expenditures	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ 18
Unencumbered Cash-Beginning	<u> -</u>
Unencumbered Cash-Ending	<u><u>\$ 18</u></u>

CITY OF BAXTER SPRINGS, KANSAS

Disaster Fund

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year ended December 31, 2014

	<u>Actual</u>
Receipts:	
Insurance Proceeds	<u>\$ 203,452</u>
Total Receipts	<u>\$ 203,452</u>
Expenditures:	
Public Works	<u>\$ 203,452</u>
Total Expenditures	<u>\$ 203,452</u>
Receipts Over (Under) Expenditures	<u>\$ -</u>
Unencumbered Cash-Beginning	<u> -</u>
Unencumbered Cash-Ending	<u><u>\$ -</u></u>

CITY OF BAXTER SPRINGS, KANSAS
Fire Ordinance 711 Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2014

	Actual	Budget	Variance - Over (Under)
Receipts:			
Other	\$ 5,445	\$ 10,000	\$ (4,555)
Total Receipts	\$ 5,445	\$ 10,000	\$ (4,555)
Expenditures:			
Public Works	\$ 7,945	\$ 10,000	\$ (2,055)
Total Expenditures	\$ 7,945	\$ 10,000	\$ (2,055)
Receipts Over (Under) Expenditures	\$ (2,500)		
Unencumbered Cash-Beginning	2,500		
Unencumbered Cash-Ending	\$ -		

CITY OF BAXTER SPRINGS, KANSAS
Memorial Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2014

	Actual	Budget	Variance - Over (Under)
Receipts:			
Donations	\$ 3,610	\$ -	\$ 3,610
Transfers In	2,500	-	2,500
Total Receipts	<u>\$ 6,110</u>	<u>\$ -</u>	<u>\$ 6,110</u>
Expenditures:			
Recreation	\$ 63,415	\$ -	\$ 63,415
Adjustment for Qualifying Budget Credits	-	3,610	(3,610)
Total Expenditures	<u>\$ 63,415</u>	<u>\$ 3,610</u>	<u>\$ 59,805</u>
Receipts Over (Under) Expenditures	\$ (57,305)		
Unencumbered Cash-Beginning	<u>57,897</u>		
Unencumbered Cash-Ending	<u>\$ 592</u>		

CITY OF BAXTER SPRINGS, KANSAS
Debt Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 21,386	\$ 21,915	\$ (529)
Delinquent Tax	1,383	950	433
Motor Vehicle Tax	3,510	2,762	748
Recreational Vehicle Tax	22	11	11
16/20 M Vehicle Tax	14	10	4
Operating Transfers	<u>250,673</u>	<u>209,205</u>	<u>41,468</u>
Total Receipts	<u>\$ 276,988</u>	<u>\$ 234,853</u>	<u>\$ 42,135</u>
Expenditures:			
Principle	\$ 240,000	\$ 215,000	25,000
Interest and Fees	36,961	20,493	16,468
Cash Basis Reserve	<u>-</u>	<u>25,000</u>	<u>(25,000)</u>
Total Expenditures	<u>\$ 276,961</u>	<u>\$ 260,493</u>	<u>\$ 16,468</u>
Receipts Over (Under) Expenditures	\$ 27		
Unencumbered Cash-Beginning	<u>27,999</u>		
Unencumbered Cash-Ending	<u>\$ 28,026</u>		

CITY OF BAXTER SPRINGS, KANSAS**Water Fund****Schedule of Receipts and Expenditures - Actual and Budget****Regulatory Basis**

For the Year ended December 31, 2014

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges for Services	\$ 832,372	\$ 1,250,000	\$ (417,628)
Interest	-	200	(200)
Sales Tax	14,695	19,000	(4,305)
Other	8,657	5,000	3,657
Total Receipts	<u>\$ 855,724</u>	<u>\$ 1,274,200</u>	<u>\$ (418,476)</u>
Expenditures:			
Personal Services	\$ 355,735	\$ 370,000	\$ (14,265)
Contractual Services	93,287	100,000	(6,713)
Commodities	215,896	354,945	(139,049)
Other	1,820	5,000	(3,180)
Water Protection Fee	8,800	-	8,800
Capital Outlay	118,101	13,200	104,901
Sales Tax	14,733	35,000	(20,267)
Administrative	-	5,000	(5,000)
Maintenance	7,745	50,000	(42,255)
Operating Transfers	104,508	209,205	(104,697)
Total Expenditures	<u>\$ 920,625</u>	<u>\$ 1,142,350</u>	<u>\$ (221,725)</u>
Receipts Over (Under) Expenditures	\$ (64,901)		
Unencumbered Cash-Beginning	<u>141,694</u>		
Unencumbered Cash-Ending	<u>\$ 76,793</u>		

CITY OF BAXTER SPRINGS, KANSAS**Sewer Fund****Schedule of Receipts and Expenditures - Actual and Budget****Regulatory Basis**

For the Year ended December 31, 2014

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges for Services	\$ 443,684	\$ 550,000	\$ (106,316)
Total Receipts	<u>\$ 443,684</u>	<u>\$ 550,000</u>	<u>\$ (106,316)</u>
Expenditures:			
Personal Services	\$ 83,143	\$ 98,000	\$ (14,857)
Contractual Services	25,017	46,125	(21,108)
Commodities	96,221	94,100	2,121
KDHE Loan Payment	41,340	41,341	(1)
Other	1,164	-	1,164
Administrative	-	12,000	(12,000)
Maintenance	12,438	50,000	(37,562)
Capital Outlay	<u>30,518</u>	<u>50,000</u>	<u>(19,482)</u>
Total Expenditures	<u>\$ 289,841</u>	<u>\$ 391,566</u>	<u>\$ (101,725)</u>
Receipts Over (Under) Expenditures	\$ 153,843		
Unencumbered Cash-Beginning	<u>1,099,520</u>		
Unencumbered Cash-Ending	<u>\$ 1,253,363</u>		

CITY OF BAXTER SPRINGS, KANSAS
Cable Television Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year ended December 31, 2014

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges for Services	\$ 788,662	\$ 975,000	\$ (186,338)
Sales Tax	408	-	408
Other	1,264	2,000	(736)
Total Receipts	<u>\$ 790,334</u>	<u>\$ 977,000</u>	<u>\$ (186,666)</u>
Expenditures:			
Personal Services	\$ 116,246	\$ 95,000	\$ 21,246
Contractual Services	608,648	540,000	68,648
Commodities	72,077	60,000	12,077
Other	1,529	5,000	(3,471)
Sales Tax	50,199	75,000	(24,801)
Administrative	-	47,200	(47,200)
Capital Outlay	61,735	2,000	59,735
Bond Issuance Fees	8,663	-	8,663
Capital Lease	-	153,049	(153,049)
Maintenance	98,493	17,500	80,993
Operating Transfers	146,165	-	146,165
Total Expenditures	<u>\$ 1,163,755</u>	<u>\$ 994,749</u>	<u>\$ 169,006</u>
Receipts Over (Under) Expenditures	\$ (373,421)		
Unencumbered Cash-Beginning	<u>20,096</u>		
Unencumbered Cash-Ending	<u>\$ (353,325)</u>		

CITY OF BAXTER SPRINGS, KANSAS
Cemetery Perpetual Care Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year ended December 31, 2014

	<u>Actual</u>
Receipts:	
Sale of Cemetery Lots	<u>\$ 101</u>
Total Receipts	<u>\$ 101</u>
Expenditures:	
Public Works	<u>\$ -</u>
Total Expenditures	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ 101
Unencumbered Cash-Beginning	<u>64,059</u>
Unencumbered Cash-Ending	<u><u>\$ 64,160</u></u>